



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, July 16, 2015

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (15-3455)

Attachments: [AUDIO](#)

Present: Chair Lori Glasgow, Vice Chair James Blunt, Dorinne Jordan and Kieu-Anh King

Absent: Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to Order. (15-3202)

The meeting was called to order by Vice Chair James Blunt at 10:39 a.m.

2. Approval of June 18, 2015 meeting minutes. (15-3204)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

3. Recommendation to approve minor revision to Board Policy No. 3.050 - Identification Cards (6/29/15). (15-3198)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to review substantive changes to Board Policy No. 3.054 - Board Ordered Investigations Pertaining to Confidential Information, extend the sunset review date to August 17, 2020 and direct the Department to submit the policy to the Board of Supervisors for final approval (6/24/15). (15-3086)

James Blunt, First District, requested clarification on the new language for the proposed substantive changes. Guy Zelenski, Auditor-Controller (A-C), confirmed that when the Board requests a review due to inappropriate confidential information being reviewed or discussed, all departments are to cooperate. In addition, if inappropriate disclosure of confidential is suspected, it should be reported to the County Counsel (CC) as well as A-C for possible investigation. If the exposure of confidential information is related to Health Insurance Portability and Accountability Act (HIPAA) then the A-C Chief HIPAA Privacy Officer should be notified pursuant to Board Policies 6.109 and 9.040. The change to Policy 3.054 is to clarify that the investigative agency will more than likely be the A-C. Mr. Zelenski also confirmed that CC should be consulted and involved during the investigation of Board members.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to extend the sunset review date for Board Policy No. 9.015 - County Policy of Equity, to July 1, 2019 (4/17/15). (15-2932)

Kieu-Anh King, Third District, questioned if gender identity and expression are included in the list of protected categories. Camille Townsend, Acting Executive Director, County Equity Oversight Panel, confirmed that gender identity and expression are protected and the policy covers 19 protected categories covered under the state and federal law. Ms. Townsend noted that California has a more expansive coverage and protection than the federal law.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

6. Recommendation to extend the sunset review date for Board Policy No. 3.080 - Department Head Notification to the Board Prior to Service Curtailments or Layoffs, to September 15, 2020 (6/1/15)(Continued from the meeting of 6/18/15). (15-2866)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to approve minor revisions to Board Policy No. 7.040 - Requirements for Departmental Legislative Analysis and extend the sunset review date August 21, 2020 (5/21/15)(Continued from the meeting of 6/18/15). (15-2522)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

8. Report Back on the County's Sole Source Policy; and Report Back on an Information Technology Database (Item 17, Agenda of January 27, 2015)(3/26/15)(Continued from the meetings of 4/16/15, 5/21/15 and 6/18/15). (15-1537)

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

9. Department of Public Health - Information Technology and Security Policies Review (4/20/15)(Continued from the meetings of 5/21/15 and 6/18/15). (15-2019)

Item Nos. 9 and 22 were discussed jointly.

Dorinne Jordan, Second District, commended A-C staff on the Information Technology (IT) and Security review and for their continuous review of IT throughout the County.

Ms. Jordan advised that the periodic update should be presented at the Operation Cluster meeting and subsequently updated at the Audit Committee meeting.

On motion by Dorinne Jordan, seconded by Kieu-Anh King, this item was

received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

10. Department of Public Social Services - Electronic Benefit Transfer Cards Review (4/30/15)(Continued from the meetings of 5/21/15 and 6/18/15). (15-2084)

Kieu-Anh King, Third District, requested an update from A C regarding the Department of Public and Social Services (DPSS) needing clarification from the state on what their obligations and responsibilities are. Nancy Neville, A-C, reported that not all issues have been resolved and that the last issue resolved was the discontinuation of Electronic Benefit Transfer (EBT) Cards. There was an issue of who has the jurisdiction to investigate EBT theft if the cards were considered identity theft. Mr. King requested DPSS report back in six months.

Dorinne Jordan, Second District asked for clarification on the issue of EBT cards originating in one location and printed in another, along with its tracking method. Ms. Neville explained that EBT clients can pick up their EBT cards at any DPSS office; however, the office that handles the clients' case would be the office that initiates the card. Ms. Neville further explained the process of reconciliation.

James Blunt, First District, questioned the deactivation of EBT cards of deceased card holders. Robert Smythe, A-C, clarified that DPSS automatically interfaces with the Registrar-Recorder/County Clerk (RRCC) office and if an EBT client's death occurs within Los Angeles County, RRCC would cancel all benefits. However, if the death occurred outside of the County then the interface would not be able to catch and reference the information. In addition, the State acts as a central repository for all of the counties and reports back to DPSS on a monthly basis.

In response to Ms. Jordan's questions, Ms. Neville recommended DPSS track usage and trends, refer theft to law enforcement whether or not there is a suspect and report to management.

After discussion, on the motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting for a status on the recommendations scheduled for implementation by April 30, 2015, referred this item to the Operations Cluster and requested a report back in six months.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Children and Family Services - Public Transit Passes and Tokens Review (5/8/15)(Continued from the meetings of 5/21/15 and 6/18/15). (15-2289)

James Blunt, First District, posed questions on unused passes. Rogelio Tapia, Department of Children and Family Services (DCFS) reported that public transit passes are purchased in advance from the Metropolitan Transportation Authority in order to distribute to regional offices prior to the start of the month. Additionally, extra passes are purchased in advance since they are issued by court order and they cannot be purchased as needed. A Point-of-Sale device to load funds as needed to prevent a surplus of unused passes was considered, however, this may pose other issues.

Dorinne Jordan, Second District, raised the concern of theft and misuse of resources. Onnie Williams III, DCFS, indicated they have created awareness of the situation at the all levels of the department. Their Internal Control Division is expanding the review to look at more criteria, utilizing the County Fiscal Manual, and policies, and visiting the offices. They are also conducting reviews, interviews, reviewing documentations and providing management with reports and status so that the issue can be addressed immediately. The current procedures are efficient, but will need to be enforced. Arlene Barrera, A-C, indicated that Director Philip L. Browning is taking the matter serious and has requested training and the A-C is willing to assist.

After discussion, on the motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was referred to the Operations Cluster meeting and continued to the next Audit Committee meeting for DCFS to report back.

Attachments: [SUPPORTING DOCUMENT](#)

12. Jewish Family Service of Los Angeles - A Department of Mental Health Service Provider -Program Review (5/26/15)(Continued from the meeting of 6/18/15). (15-2501)

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. Living Advantage, Inc. - A Community and Senior Services' Los Angeles County Youth Jobs Program Contract Service Provider - Contract Compliance Review - Fiscal Years 2013-14 and 2014-15 (5/15/15)(Continued from the meeting of 6/18/15). (15-2529)

Dorinne Jordan, Second District, asked for clarification for the reason this contractor has not been recommended to be placed on Contractor Alert Reporting Database (CARD). Elaine Boyd, A-C, reported that Community and Senior Services' (CSS) is still working with the contractor to see if they can provide documentation for the expenditures. The contract expired on June 15, 2015 and funds will not be allocated to the contractor for fiscal year 2015-2016.

Don Chadwick, A-C, stated that once the contractor has exhausted the process and if the contractor is not cooperating, CSS will request that the contractor be placed on CARD. Mr. Chadwick will provide a timeline on the status of efforts. In the meantime, County Counsel is looking into the possibility of termination. CSS has reassigned some of their work to other vendors.

After discussion, on motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was continued to two months to September 17, 2015.

Attachments: [SUPPORTING DOCUMENT](#)

14. Probation Department - Contracting Review (5/29/15)(Continued from the meeting of 6/18/15). (15-2597)

Kieu-Anh King, Third District, requested clarification on the report and the response from Probation Department (PD). Robert Smythe, A-C, discussed the vendor proposal process with its scoring system. It was reported that vendor proposal scores were changed without validations; the evaluator needs to initial and date the change rather than erasing the original score. Mr. King requested that PD attend a future Audit Committee meeting to discuss areas of discrepancies in the report.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was continued for two months to September 17, 2015.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

15. Homes for Life Foundation - A Department of Mental Health Service Provider - Program Review (6/11/15). (15-2885)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Friends Research Institute, Inc. - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (6/12/15). (15-2886)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Phoenix Houses of Los Angeles, Inc. - A Department of Mental Health and Department of Children and Family Services Provider - Fiscal Compliance Review (6/12/15). (15-2887)

Dorinne Jordan, Second District, asked for a status of allowable costs and the corrective action plan in the report. Sherry Trujillo, Department of Mental Health (DMH), indicated that this contractor is currently on hold. They are only staffed with one investigator and would not be able to provide any update at the moment. Kieu-Anh King, Third District, also requested that DMH look into the lease costs and report back at the next meeting.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

18. The Wall Las Memorias Project - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (6/15/15). (15-2890)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Review of the County Treasurer's Statements of Net Position for the Quarters ended September 30, 2014 and December 31, 2014 (6/22/15). (15-3060)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Ettie Lee Youth and Family Services - A Department of Mental Health and Department of Children and Family Services Provider - Contract Compliance Review (6/24/15). (15-3085)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Department of Parks and Recreation - Voyager Card Review (6/26/15). (15-3146)

Kieu-Anh King, Third District, requested the Department of Parks and Recreation (DPR) report back in six months and provide a detailed report on how and when each item will be corrected.

Dorinne Jordan, Second District, questioned how many other departments are participating in similar fuel credit card programs. Robert Smythe, A-C, clarified that the Internal Services Department (ISD) administers the program. Mr. Smythe will provide a list of other participating departments. Ms. Jordan inquired on the timeline for reviewing this program. Mr. Smythe confirmed that a couple of the reviews are included in the Audit Plan that consists of mileage, travel, fleet, and Voyager Card Review.

John Naimo, Auditor-Controller, suggested that in order to make this program more effective, A-C should partner with ISD to strengthen the perimeters and rules under which cards are issued, also to work with Voyager, to provide monitoring reports.

In response to Ms. Jordan's question regarding qualifications and criteria in receiving a voyager card, Mr. Smythe confirmed that the cards are requested by the department for their staff and there is a basic framework that ISD provides based on the need of the card for operational use. The alternative to voyager cards is to claim mileage in which case employees will need to use their own vehicles. By using their own vehicles, it transitions over to using the fleet vehicles which are logged. The log for the vehicles is necessary and helps with the control of the Voyager Cards as it can tie the usage to the mileage.

Ms. Jordan questioned why fuel sites available to DPR staff are in poor operating condition and requested a status on the disrepair. Mr. Smythe indicated that it is a deferred maintenance issue; employees can fill up at Sheriff's or ISD fuel sites which are logged or they can use the voyager cards at local gas stations.

After discussion, on motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed and it was requested that DPR return in six months to provide an update on their accounting and operational control and progress of corrected items.

Attachments: [SUPPORTING DOCUMENT](#)

22. Probation Department - Information Technology and Security Review (7/1/15). (15-3233)

This item was discussed jointly with Item No. 9.

On motion by Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Martin Luther King, Jr. - Los Angeles Healthcare Corporation Lease Agreement Funding Review (7/6/15). (15-3309)

Kieu-Anh King, Third District, questioned when the fiscal year 2014-2015 report from Martin Luther King, Jr. (MLK) –Los Angeles Healthcare Corporation can be expected. Arlene Barrera, A-C, reported that the CPA firm completed the review for FY 2013-2014, A-C received the report in February. Dorinne Jordan recommended that MLK establish a month for annual reporting.

John Naimo, Auditor-Controller, explained that MLK has their own annual audit during September/October; however A-C can conduct an audit in October/November. A draft report will be available in December and final report will be ready in February with financial data as of June 30th. Mr. Naimo, A-C, suggested that they can approach the Audit Committee less formal matter to provide update on how the agency is utilizing funds that the county has granted them. The update can be given at the Audit Committee meeting or at a Health Cluster meeting as an alternative to not having any update for the entire year. Mr. King requested that this item come back to the Committee in two months while the Committee coordinates with health deputies to see what works. A-C will reach out to

the agency to propose conducting audits in October/November.

On the motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was continued to two months to September 17, 2015.

Attachments: [SUPPORTING DOCUMENT](#)

24. Foothill AIDS Project - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (7/7/15). (15-3310)

James Blunt, First District, noted that the agency disagreed with the findings of the audit and requested a status. Elaine Boyd, A-C, reported that Department of Public Health (DPH), Division of HIV and STD Programs (DHSP) is drafting a letter to the agency to request additional documentation. The agency has 30 days to refute again and DHSP will have the final determination. An update can be included in DPH's quarterly reporting.

On the motion of Allen Gomez, seconded by Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. Rancho Research Institute, Inc. - A Department of Health Services Orthotic Services Contract Service Provider - Contract Compliance Review (7/7/15). (15-3311)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Contractor Alert Reporting Database Status Report - July 2015 (7/8/15). (15-3335)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

27. DMH Monitoring Update. (15-2796)

Judith Weigand, Department of Mental Health (DMH), provided an overview on the recommendations that have been implemented and that are still outstanding for Fiscal Year 2013-14 and 2014-15. James Blunt, First District,

asked for the expected timeframe for collections. Per Ms. Weigand, the collections depend on the resolution of the audit. DMH reported that they will have to conduct chart reviews on two audits and once the amount owed is determined, they will close out the audit.

On the motion of Allen Gomez, seconded by Kieu-Anh King, this item was received and filed.

28. Open Data-Expenditure and Vendor Payment Details. (15-3290)

John Naimo, Auditor-Controller, reported their participation in open data on salary information for 2013 will be released this month; they are in the process of 2014. A-C is requesting feedback on expenditures and vendor payment details. All Board appropriations are subject to publication including employee reimbursements; however, will not be district specific. Open data will exclude public assistance payments to recipients. A-C will speak with County Counsel regarding payments for legal defense. Deputies will be scheduled for a demonstration of the data before it is made public. Mr. Naimo indicated that the goal is to mirror what the City is doing. The open data concept allows users to download the information and sort and consolidate as needed.

On the motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.

29. Status update of the collaboration between the Chief Executive Office and Auditor-Controller on the new workers' compensation claims system, as requested by the Audit Committee at the meeting of October 15, 2014. (14-4964)

On the motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to September to allow staff from the Chief Executive Office to be present.

30. Discuss and take appropriate action on the Committee's role in regards to informing the Board of high profile audits (Continued from the meetings of 4/16/15, 5/21/15 and 6/18/15). (15-1623)

On the motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting to allow Lori Glasgow, Fifth District, to be present.

31. Pending Audits/Monitoring Reports. (15-3213)

Arlene Barrera, A-C, provided graphs of the audit plan that was presented to the deputies at the Budget Deputy meeting. The graphs provide a breakdown of the various audit categories.

VI. MISCELLANEOUS

32. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-3199)

Robert Smythe, A-C, proposed that reviews of AB109 funded departments be completed on an annual basis. By common consent, there being no objection, this topic will be added to next meeting's agenda.

33. Public Comment. (15-3200)

No members of the public addressed the Committee.

34. Adjournment. (15-3201)

There being no further business to discuss, the meeting adjourned at 12:32 p.m.